

FISCAL MEMORANDUM

HB 4179 – SB 4127

April 10, 2008

SUMMARY OF AMENDMENT (016764): Changes the amount proposed to be transferred from the Lottery for Education Account to the Tennessee Back to Class Grant Fund from \$100,000,000 to \$90,000,000.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Transfers \$100,000,000 from the Lottery for Education Account to the Tennessee Back to Class Grant Fund, for the purpose of funding the Tennessee Back to Class Act of 2008. This transfer will reduce the amount of funding available for eligible recipients of traditional HOPE scholarships and grants. Increases the expenditure of funds from the Tennessee Back to Class Grant Fund by \$3,442,000 in FY08-09 and by \$3,614,100 in FY09-10.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Transfers \$90,000,000 from the Lottery for Education Account to the Tennessee Back to Class Grant Fund, for the purpose of funding the Tennessee Back to Class Act of 2008. This transfer will reduce the amount of funding available for eligible recipients of traditional HOPE scholarships and grants. Increases the expenditure of funds from the Tennessee Back to Class Grant Fund by \$3,442,000 in FY08-09 and by \$3,614,100 in FY09-10.

Assumptions applied to amendment:

- According to TSAC, approximately 104 students would be eligible for the Renewing Education Grant and 626 students would be eligible for the Graduation Threshold Grant during the first year (FY08-09).
- The increase of expenditures from the Tennessee Back to Class Grant Fund is estimated to be \$3,442,000 $[(104 \times \$3,000) + (626 \times \$5,000) = \$3,442,000]$ in FY08-09.
- Five percent growth in the number of eligible students during the second year (FY09-10).

- The increase of expenditures from the Tennessee Back to Class Grant Fund is estimated to be \$3,614,100 ($\$3,442,000 \times 105\% = \$3,614,100$) in FY09-10.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc